

TID 63 - Falk / Rexnord
Periodic Report
12/31/20

District Created: 2006

Authorized expenditure (excluding interest): \$2,500,000

Authorizing resolution(s): #051461, #110602

Projected TID contract recovery: 2029 (levy year)

Maximum legal life: 2026

Base property value: \$8,871,100

Completion Status: Project complete; employment is 602

Project description

This district funded a grant to Rexnord for costs associated with site work and infrastructure necessitated by the Canal Street project. These funds, in the amount of \$1.5 million, were advanced by the company and are being repaid by the City from future tax incremental revenue generated in the district. Payments will be reduced, proportionately, if employment at the Canal Street site declines below 520 full-time equivalent positions.

In 2011, the Project Plan was amended to assist the Falk facility with a \$35 million upgrade and reequipping of its facility. Rexnord transformed the facility into a Gear Center of Excellence significantly improved production efficiencies and reduce lead times. The amendment included up to \$1.0 million of additional assistance, bringing the total project budget to \$2.5 million.

Employment at the end of 2020 for the Rexnord-Falk facility in the Menomonee Valley was 286, which was down from previous years partly due to continued consolidation of office staff and manufacturing operations to their other locations in the Milwaukee area. Including these employees, the total headcount for the Rexnord-Falk company in the Milwaukee area is 921 in 2020.

District incremental values have changed as follows:

| Year | Incremental Value | Change |
|-------------|--------------------------|---------------|
| 2020 | \$ 2,979,300 | 4% |
| 2019 | \$ 2,862,400 | -3% |
| 2018 | \$ 2,944,900 | -1% |
| 2017 | \$ 2,970,800 | 8% |
| 2016 | \$ 2,744,600 | -16% |
| 2015 | \$ 3,259,600 | 1% |
| 2014 | \$ 3,221,200 | 0% |
| 2013 | \$ 3,217,300 | -6% |
| 2012 | \$ 3,429,600 | -8% |
| 2011 | \$ 3,729,600 | -1% |

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Expenditures - Life to Date (as of 12/31/20)

| | Project Plan Budget | Appropriations | Encumbrances | Expenditures | Balance |
|----------------------|--------------------------------|-----------------------|---------------------|---------------------|----------------|
| Developer Increments | \$ 2,500,000 | \$ 1,148,696 | | \$ 1,148,696 | \$ - |
| Administration | - | 60,000 | | 24,003 | 35,997 |
| Total | \$ 2,500,000 | \$ 1,208,696 | \$ - | \$ 1,172,699 | \$ 35,997 |

Revenue/Value Performance (as of 12/31/2020)

| | Projected | Actual |
|-------------------|------------------|---------------|
| Property value | * | \$ 11,850,400 |
| Incremental value | * | \$ 2,979,300 |
| Incremental taxes | * | \$ 1,292,474 |
| State aid | * | \$ 98,148 |

* Not projected.

Is the project within budget? ☒ Yes ☐ No If no, explain:

Is the project on schedule? ☒ Yes ☐ No If no, explain:

Identify any significant concerns that might affect budget or schedule of this project in the future: None.